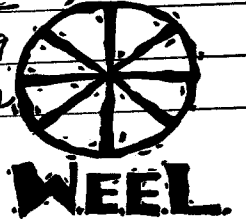


Exhibit No. 1Date 2-16-09Bill No. SB 412

To: Senate Health and Human Services
From: WEEL member Olivia Riutta – oriutta@gmail.com 406.465.5145
Date: February 16, 2009
Re: SB 412 - Remove CHIP Waiting Period

Mr. Chairman and members of the committee, my name is Olivia Riutta and I am a WEEL member. WEEL is a statewide non-profit organization made up of people who are low-income and our supporters. I am writing to ask for your support of SB 412.

Waiting periods are created to curb so called "crowd-out," where previously insured children drop coverage to enroll in a public program. New York, one of many states that doesn't require a waiting period, recently studied their "crowd-out" numbers and found that only 7.5% of enrollees dropped private coverage and could be classified as true crowd-out. Furthermore, the study also found that waiting periods could harm all children entering the program because over half of enrollees (57%) had unmet health needs, both previously insured and uninsured. Waiting periods would only result in a further delay of care (*HSR: Health Services Research*, "Crowd-out in the State Children's Health Insurance Program (CHIP): Incidence, enrollee characteristics and experiences, and potential impact on New York's SCHIP," February 2008, 43(1), Part II, pp. 419-434).

Research also shows that waiting periods create a significant decrease in the number of eligible children who enroll. According to Health Affairs research, a waiting period of six months decreases enrollment by 6.1 percentage points (Kronebusch, K. and Elbel, B, *Health Affairs*, Volume 23, Number 3). We can assume that the percentage would be less for Montana's three-month waiting period, yet still significant given the fact that we have one of the highest rates of uninsured children in the entire country.

Furthermore, in 2008, Steve Seninger, a health care economics from the University of Montana estimated that for ever one-dollar we invest in covering our children, we get a \$2.50 return (Seninger, Steve. *Montana Business Quarterly*, "Economic Returns for Investing in Children's Health, Summer 2008).

Removal of the three-month waiting period is sound public policy from a community, economic, and public health stand point. Crowd-out fears are overblown and attention should be focused on moving CHIP forward, creating strategies for increasing enrollment, and getting children with unmet health needs in to see a doctor. This will result in less uncompensated care, prioritize investment in primary and preventative (which we know to be the best investment of health care dollars), and result in a more sound and affordable health care system for the rest of Montanans.

I urge a due pass on SB 412. Please feel free to contact me if you have questions about my research or citations: oriutta@gmail.com, or by phone: 406.465.5145. Thanks you for allowing me to have my testimony read and submitted for the record.

Olivia Riutta